

**COMMISSION MEETING MINUTES
TUESDAY, SEPTEMBER 14TH, 2021 6:30 P.M.**

The Board of Commissioners met in Regular Session at 6:30 p.m. in the Commission Room. The meeting was called to order by Mayor Vannoster.

Present:

COMMISSIONER PAUL BAUER
COMMISSIONER TRACY MAXSON
COMMISSIONER ANN MARIE VANNOSTER
COMMISSIONER ROBERT YORK

Absent:

COMMISSIONER JUSTIN DOANE

City Staff in attendance:

CITY ATTORNEY PAUL KRITZ
CITY MANAGER MARK HALL
CITY CLERK MELISSA CARTER
DIRECTOR OF IT CHRIS FELIX
DIRECTOR OF FINANCE STEPHANIE RICHARDSON
DIRECTOR OF ELECTRIC UTILITY MIKE SHOOK
DIRECTOR OF HOUSING CHARLA BROWN
BUILDING OFFICIAL MATT CONGER

- A. **CALL TO ORDER** – Mayor Ann Marie Vannoster
- B. **ROLL CALL**
- C. **INVOCATION** – Pastor Dick Smith, First Baptist Church
- D. **PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- E. **REVIEW OF AGENDA**
- F. **CONSENT AGENDA**
 - 1. City Commission Meeting Minutes – Tuesday, August 24th, 2021
 - 2. 2021 Appropriation Ordinance No. AO-21-17 - \$1,742,085.19

MOTION: Move to approve items 1&2 of the consent agenda as presented.

ACTION: MOTION: VANNOSTER SECOND: BAUER
ROLL CALL: ALL PRESENT AYE

G. COMMENTS

1. Comments from Public

Any citizen desiring to address the Commission shall be recognized, advance to the podium, state his/her name and address for the record. Comments shall be limited to 3 minutes unless extended by a vote of the majority of the Commission. The Commission does not hear matters involving litigation or City Personnel. The Commission does not take action on subjects not on the agenda unless unusual or hardship conditions exist. Citizens may address the Commission on agenda items as they are brought to the floor.

REGULAR AGENDA ITEMS

H. PUBLIC HEARING(s), SPECIAL PRESENTATION(s), & PROCLAMATION(s).

I. OLD BUSINESS

J. NEW BUSINESS

1. Ordinance S-21-05 an Ordinance to Rezone 413 North Willow Street.

Building Official Matt Conger stated that Mr. Antle owns 6 lots on North Willow, he has torn down three dilapidated houses and is trying to build a four stall RV Park. Mr. Conger stated that he has to have a variance for this and it would make a great improvements to the neighborhood. Commissioner Bauer noted that the Planning and Zoning Commission asked a lot of great questions when it went before them and all the neighbors in the area spoke in favor of it.

MOTION: Move to approve Ordinance S-21-05 as presented.

ACTION: MOTION: YORK SECOND: MAXSON
ROLL CALL: ALL PRESENT AYE

2. Resolution R-21-59 a Resolution to approve an option for repayment of extraordinary power costs associated with Winter Storm Uri to GRDA.

Director of Electric Utility Mike Shook stated that the weather in February 2021 was a winter like no other with much of the nation experiencing temperatures below zero for an extended period, beginning February 9th, continuing thru February 21st. This unusual weather event wreaked havoc on the energy industry from the Gulf of Mexico to Canada, limiting available natural gas supplies for not only home heating, but for electric energy generation as well. Mr. Shook stated that utilities saw prices of natural gas rise in a matter of days from \$2.50/MMBtu to over \$600/MMBtu, ultimately impacting the electric energy industry. Compounding the issue, due to the extreme temperatures experienced, the lack of available electric generating resources caused energy prices to skyrocket as did the cost to generate electric energy with natural gas. Mr. Shook noted that Southwest Power Pool did not finalize pricing and re-pricing of electric energy for the month of February until June, with Grand River Dam Authority presenting the cost to their municipal wholesale customers on July 8th. GRDA's additional cost for the month of February 2021 was \$102,388,191. GRDA has broken out this cost to each wholesale customer based on total kWh used for the month of February. Coffeyville's additional cost for energy consumed during the month of February 2021 is \$11,229,333. GRDA, working through the State of Oklahoma, has been able to secure financing for these extraordinary costs providing a term of ten years or 120 months for repayment. Currently the carrying cost through the State of Oklahoma has yet to be determined. Additional note, the City has broken out the cost between 'native load' customers and Coffeyville Resources Nitrogen Fertilizers to correctly assess these costs. Native load, or City customers would be responsible for \$2,724,739, while CRNF would be responsible for \$8,504,594. Mr. Shook stated that Coffeyville's monthly share of these costs will be added and included with our monthly Power Cost Adjustment calculation. It is anticipated that the additional monthly cost per customer will be negligible, as it equates to roughly \$19,000 being added and applied monthly to the PCA for a period of 10 years. CRNF's portion of these costs will be passed directly to CRNF as part of their monthly invoicing. Mr. Shook said that staff is recommending that the City elect Option 1 allowing for the 120 month repayment, versus a 12 month (PCAx-12), or single payment to

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GRDA. Mr. Shook noted that they are hopeful that it will be very little impact to our customers.

MOTION: Move to approve Resolution R-21-59 as presented.

ACTION: MOTION: VANNOSTER SECOND: YORK
ROLL CALL: ALL PRESENT AYE

3. Resolution R-21-60 a Resolution to execute a Natural Gas Pipeline Transportation Service Agreement for Firm Gas Supply.

Director of Electric Utility Mike Shook stated that February 2021 was a stressful month on the energy industry, both natural gas and electric, as the extreme weather and sub-zero temperatures highlighted weaknesses in both industries. As part of performing a review of this period, it was noted that due to the extreme cold, demands on the natural gas systems were at record levels, creating a situation that even acquiring natural gas for electric generation proved difficult to impossible. Mr. Shook noted that Coffeyville Municipal Light & Power operates four natural gas fired generating units to support our electric system. Their utility partners with 42 other Kansas cities, as members of Kansas Municipal Gas Agency, some with power plants, others that own their own gas utility system. The benefit of this partnership is that they can buy/acquire natural gas in greater volumes, thereby achieving better pricing from suppliers. Acquiring natural gas from suppliers is only part of the equation, as cities and power plants then need to secure pipeline transportation and local delivery of the purchased natural gas. Mr. Shook said that Coffeyville historically has avoided purchasing Firm or Un-Interruptible Pipeline transportation for a multitude of reasons, namely costs and availability. Many of the member cities of KMGA, especially those that own their local gas distribution systems, purchase firm pipeline transport. Through this partnership with KMGA and the member cities, Coffeyville has basically had 'secondary firm transport supply'. Coffeyville believes going forward, again, due to the severity of recent winter events, combined with our current fleet of generating units, that we should better position the utility, the City, and our residents by acquiring a set amount of firm or un-interruptible gas pipeline transportation. Mr. Shook said that KMGA, acting as the natural gas marketing agent for the City, can contract with Southern Star Central Gas Pipeline to secure firm transportation services at a determined monthly volume. The City of Coffeyville would need to execute the attached agreement with KMGA agreeing to pay all fees and applicable rates associated with the purchase of the firm transportation services by Southern Star. Mr. Shook stated that staff is recommending execution of an agreement for firm natural gas pipeline transportation services with Southern Star Central Gas through Kansas Municipal Gas Agency for the electric utility.

MOTION: Move to approve Resolution R-21-60 as presented.

ACTION: MOTION: VANNOSTER SECOND: BAUER
ROLL CALL: ALL PRESENT AYE

4. City Manager's Report

City Manager Mark Hall thanked Mike Shook for the explanation of the last two items. He remarked that the fall season is approaching and commended the departments for their hard work. Mr. Hall said the Sales Tax Informative campaign is going well, have spoken to different groups, and been on the radio. He thanked the Chamber for putting the info on their

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Website. He stated that Cleanup Week is tentatively set for October 18th – 24th. Mr. Hall noted a Staff Appreciation lunch coming up next Wednesday.

5. Comments from Commissioners and Staff

Mayor Vannoster noted that Sam Kudrick's, Director of Coffeyville Tourism, last day is tomorrow and the Chamber is having a reception for her from 1:00-4:00 pm. She noted how much she has done for Coffeyville including the bike share and the sign over Death Alley. Mayor Vannoster asked if they were still on for Cheyenne Street on Monday. Mr. Hall stated That he would check on that and said we are at the mercy of contractors for these type of projects. Commissioner Bauer noted citizens stepping up around Coffeyville including Keith Caulkins cleaning up the brick sidewalks and Mike Benning helping out by mowing Elmwood Cemetery on Saturday. He said how appreciated these things are and really help the city. Commissioner Bauer noted there was a good write-up in Sunday's Tulsa World about the Midland Theater. Commissioner York said the Cruisin' Coffeyville crew put a lot of work into the event on Saturday night. He commended the community college for their halftime ceremony for our military and first responders.

K. EXECUTIVE SESSION(s)

L. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

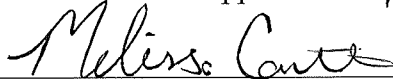
1. Sales Tax Report – August 2021
2. Building Permit Report – August 2021
3. CPD Crime Statistics – August 2021

M. ADJOURN

MOTION: Move to Adjourn

ACTION: MOTION: VANNOSTER SECOND: BAUER
ROLL CALL: ALL PRESENT AYE

Time the meeting was adjourned: 7:08 pm
Date the minutes were approved: 9/23/2021



Melissa Carter, City Clerk

